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Alberta
Minimum Wage Profile

April 2006 - March 2007

August 2007

Alberta Employment, Immigration and Industry

Alberta Minimum Wage Profile
April 2006 - March 2007

Introduction

The *Alberta Minimum Wage Profile* presents current information on minimum wage earners in Alberta and the other provinces. Statistics include the percentage of employees earning minimum wage in each province plus the characteristics of Alberta minimum wage earners.

The *Alberta Minimum Wage Profile* uses rates that are effective for two time periods: April 1, 2006 to March 31, 2007 and April 1, 2005 to March 31, 2006.

Interprovincial Analysis

Alberta's proportion of minimum wage earners was lower from the April 2005 – March 2006 reference period to the April 2006 – March 2007 reference period. The Canadian percentage increased as provinces raised their minimum wages.

Figure 1: Percentage of Employees Earning Minimum Wage

	April 2006 – March 2007	April 2005 – March 2006
Alberta	1.3%	1.9%
Canada	4.5%	4.4%

According to figure 2, eight provinces' minimum wages increased from March 1, 2006 to March 1, 2007.

Figure 2: Provinces with Increases in Minimum Wage

Province	March 1, 2007	March 1, 2006
Manitoba	$7.60	$7.25
New Brunswick	$6.70	$6.40
Newfoundland and Labrador	$7.00	$6.50
Nova Scotia	$7.15	$6.80
Ontario	$8.00	$7.75
Prince Edward Island	$7.15	$6.80
Quebec	$7.75	$7.60
Saskatchewan	$7.95	$7.55

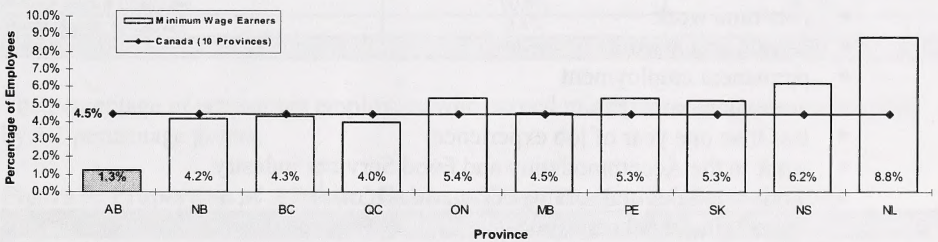
In figure 3, six of the eight provinces with increases to their minimum wage also had an increase in their percentage of minimum wage earners. The exceptions were Manitoba and Québec which experienced a decrease of 0.5 percentage points and 0.6 percentage points respectively. Newfoundland and Labrador had the largest percentage increase, at 1.9 percentage points.

Figure 3: Percentage of Employees Earning Minimum Wage by Province

Percentage of Employees Earning Minimum Wage	April 2006 - March 2007	April 2005 - March 2006
Manitoba	4.5%	5.0%
New Brunswick	4.2%	3.0%
Newfoundland and Labrador	8.8%	6.9%
Nova Scotia	6.2%	5.3%
Ontario	5.4%	4.5%
Prince Edward Island	5.3%	4.6%
Quebec	4.0%	4.6%
Saskatchewan	5.3%	4.4%

Most of Alberta's employees earned more than minimum wage, as shown in figure 4. The province had 17,767 minimum wage earners, which represented the lowest percentage of minimum wage earners among Canadian provinces, at 1.3%. This analysis was based on 1,397,460 Alberta employees of organizations. This total excludes 500,083 individuals who were self-employed, unpaid family workers or worked more than 44 hours per week.

Figure 4: Percentage of Employees Earning Minimum Wage by Province



Several provinces have scheduled increases to their minimum wage rates in the coming years. Here is a summary of upcoming minimum wage increases as of July 13, 2007 (see Appendix B for details).

Figure 5: Provinces with Upcoming Minimum Wage Increases

Province	Minimum Houly Wage Rate as of March 1, 2007	Next Minimum Hourly Wage Rage	Effective Date
Alberta	$7.00	$8.00	September 1, 2007
Manitoba	$7.60	$8.00	April 1, 2007
New Brunswick	$6.70	$7.25	July 1, 2007
Nova Scotia	$7.15	$7.60	May 1, 2007
Ontario	$8.00	$8.75	March 31, 2008
		$9.50	March 31, 2009
		$10.25	March 31, 2010
Prince Edward Island	$7.15	$7.50	April 1, 2007
Quebec	$7.75	$8.00	May 1, 2007
Yukon	$8.25	$8.37	April 1, 2007

Detailed information about minimum wage rates can be found at the website: http://srv116.services.gc.ca/wid-dimt/mwa/index.aspx?report=report1.

Alberta Analysis

In Alberta, the minimum wage earner profile was as follows from April 2006 to March 2007.

- aged 15-19 years
- part-time work
- private sector work
- permanent employment
- non-union employee
- less than one year of job experience
- work in the Accommodation and Food Services industry
- work in a Sales and service occupations n.e.c.[1]
- some high school education
- female

[1] Not elsewhere classified

Year-over-year, there were less minimum wage earners in Alberta. Those aged 15-19 years accounted for 43.3% of the total number of minimum wage earners in Alberta, which was 5.9 percentage points lower than the April 2005 – March 2006 period.

Figure 6: Proportion of Alberta Minimum Wage Earners by Age (Years)

	April 2006 - March 2007	April 2005 - March 2006
15-19	43.3%	49.2%
20-24	16.9%	13.4%
25-29	9.1%	7.2%
30-34	6.0%	4.6%
35-39	3.4%	4.7%
40-44	5.1%	6.7%
45-49	5.5%	4.5%
50-54	4.5%	4.5%
55+	6.1%	5.2%
Total	**100%**	**100%**

There were more full-time workers and less part-time employees earning minimum wage. But part-time workers still accounted for the greater proportion of minimum wage earners.

Figure 7: Proportion of Alberta Minimum Wage Earners by Type of Work

	April 2006 - March 2007	April 2005 - March 2006
Full-Time	40.7%	37.1%
Part-Time	59.3%	62.9%
Total	**100%**	**100%**

The percentage of minimum wage earners in the private sector increased to 90.6% while there were less public sector employees earning minimum wage.

Figure 8: Proportion of Alberta Minimum Wage Earners by Employee Type

	April 2006 - March 2007	April 2005 - March 2006
Private Sector Employee	90.6%	88.7%
Public Sector Employee	9.4%	11.3%
Total	**100%**	**100%**

The percentage of permanent employees who earned minimum wage increased slightly by 1.2 percentage points.

Figure 9: Proportion of Alberta Minimum Wage Earners by Nature of Job

	April 2006 - March 2007	April 2005 - March 2006
Permanent	76.5%	75.3%
Temporary	23.5%	24.7%
Total	**100%**	**100%**

The majority of Alberta minimum wage earners were non-union employees, at 92.5%.

Figure 10: Proportion of Alberta Minimum Wage Earners by Union Status

	April 2006 - March 2007	April 2005 - March 2006
Non-Union Employee	92.5%	95.0%
Union Member	5.8%	4.0%
Union Coverage	1.7%	1.1%
Total	**100%**	**100%**

Of all minimum wage earners, over half had less than one year of job experience. However, this percentage decreased by 6.1 percentage points, reflecting the competitive labour market for workers.

Figure 11: Proportion of Alberta Minimum Wage Earners by Job Experience

	April 2006 - March 2007	April 2005 - March 2006
Less than One Year	53.9%	59.9%
One to Five Years	35.0%	28.5%
More than Five Years	11.1%	11.5%
Total	**100%**	**100%**

The largest percentage of minimum wage earners were in the following industries: Accommodation and Food Services, 25.5%; Retail Trade, 24.7%; and Information, Culture and Recreation, 8.2%.

Figure 12: Proportion of Alberta Minimum Wage Earners by Industry

	April 2006 - March 2007	April 2005 - March 2006
Accommodation and Food Services	25.5%	28.8%
Retail Trade	24.7%	24.1%
Other Services (except Public Administration)	8.8%	5.6%
Information, Culture and Recreation	8.2%	8.5%
Educational Services	6.6%	6.9%
All Other Industries	26.2%	26.2%
Total	**100%**	**100%**

The largest percentage of minimum wage earners were employed in the following three occupational groups: Sales and service occupations n.e.c., 28.1%; Retail salespersons and sales clerks 18.7%; and Chefs and cooks, 16.2%. Teachers and professors replaced Financial, secretarial and administrative occupations as one of the top five occupational groups.

Figure 13: Proportion of Alberta Minimum Wage Earners by Occupation

	April 2006 - March 2007	April 2005 - March 2006
Sales and service occupations n.e.c.	28.1%	31.2%
Retail salespersons and sales clerks	18.7%	21.1%
Chefs and cooks	16.2%	12.4%
Clerical occupations	8.9%	7.6%
Teachers and professors	5.1%	2.8%
All other occupations	23.0%	24.8%
Total	**100%**	**100%**

Of all Alberta minimum wage earners, 45.3% had some high school education. High school graduates made up the next largest portion at 21.1%.

Figure 14: Proportion of Alberta Minimum Wage Earners by Highest Educational Attainment

	April 2006 - March 2007	April 2005 - March 2006
0-8 Years (Elementary)	1.9%	5.0%
Some High School	45.3%	47.0%
High School Graduate	21.1%	18.0%
Some Post Secondary	7.5%	7.6%
Post Secondary Certificate or Diploma	13.7%	12.8%
University Degree	10.4%	9.5%
Total	**100%**	**100%**

Females made up 66.0% of the minimum wage earners in Alberta, an increase of 3.3 percentage points from the last reference period.

Figure 15: Proportion of Alberta Minimum Wage Earners by Gender

	April 2006 - June 2007	July 2005 - June 2006
Female	66.0%	62.7%
Male	34.0%	37.3%
Total	**100%**	**100%**

For information on the methodology and definitions, see Appendix A. Appendices B and C provide the minimum wages before and after tax for each province.

APPENDIX A

Methodology

The data for this profile is gathered from the Labour Force Survey (LFS) conducted by Statistics Canada. Each month, the Data Development and Evaluation branch of Alberta Employment, Immigration and Industry receives LFS files from Statistics Canada. This includes a microdata file, which contains the complete file of all LFS responses.

The minimum wage analysis is performed on the microdata using the statistical software package, Statistical Analysis System, or SAS. The Canadian territories are not captured in the LFS so they are excluded from this analysis. Twelve-month averages are used to ensure the results are not affected by seasonality. The microdata files for each of the twelve months examined are combined into one large data set and annual averages are then calculated. For example, in this profile, the results are an average of the April 2006 to May 2007 figures.

Minimum wage rates often change; therefore the minimum wage profile will differ from one report to the next.

Occupational and industrial classifications were based on the following.

National Occupational Classification – Statistics 2001
http://www.statcan.ca/english/Subjects/Standard/soc/2001/nocs01-menu.htm

North American Industry Classification System 2007
http://www.statcan.ca/english/Subjects/Standard/naics/2007/naics07-menu.htm

All data was taken from Statistics Canada, Labour Force Survey microdata files, with the following exceptions:

Appendix B: Fact Sheet: Minimum Hourly Wage Rates
Source: Human Resources and Social Development Canada

Appendix C: Minimum Wage Comparisons
Source: Alberta Finance

APPENDIX A (Continued)

Definitions

These definitions are from Statistics Canada, except for "Employees" and the occupational and industrial groups.

Employees
In this analysis, people who were either self-employed or listed as having an hourly wage rate of $0.00 were removed from the overall employment figure to determine the number of employees. Employees working greater than 44 hours were also excluded from the analysis. Please note that the number of employees in organizations is different from the employment figure for Alberta.

Full-Time Employees
People who usually work 30 hours or more per week at their main or only job.

Minimum Wage Earner
People who earned minimum wage or less. Some employees fall outside the scope of the Employment Standards Code's minimum wage provisions and may earn less than minimum wage. See Section 8 of the Employment Standards Regulation and section 2(3)(g) of the Code for more information.

Occupations in Social Science, Government Service and Religion
Occupations in this major group include Recreation, Sports and Fitness Program Supervisors and Early Childhood Educators and Assistants.

Other Services (except Public Administration) Industry
Consists of establishments engaged in repairing or maintaining motor vehicles, machinery, equipment and other products; providing personal services; organizing/promoting religious activities; and promoting/advocating causes in various organizations and associations.

Part-Time Employees
People who usually work less than 30 hours per week at their main or only job.

Permanent Job
A permanent job is one that is expected to last as long as the employee wants it, given that business conditions permit. There is no pre-determined termination date.

Sales and Service Occupations n.e.c.
Occupations in this major group are primarily concerned with providing services not elsewhere classified in other Sales and Service occupational groups, non-store retail sales not elsewhere classified and providing services related to sales. Examples of occupations in this category include Hairstylists, Cleaners and Butchers.

APPENDIX A (Continued)

Definitions (Continued)

Temporary Job
A temporary job has a predetermined end date, or will end as soon as a specified project is completed, including seasonal jobs; temporary, term or contract jobs, including work done through a temporary help agency; casual jobs; and other temporary work.

Wage
Hourly wage/salary before taxes and other deductions, including tips, commissions and bonuses.

Appendix B

FACT SHEET: MINIMUM HOURLY WAGE RATES

Jurisdiction	General Rate for Adult Workers[i]	Effective Date (D/M/Y)	Rate for Young and Inexperienced Workers	Effective Date (D/M/Y)
Federal	Same as the general adult minimum wage rate of the province or territory where the work is performed.	18/12/96	Employees under 17: same as the general adult minimum wage rate of the province or territory where they work.	18/12/96
Alberta	**$7.00** $8.00	01/09/05 01/09/07	Same as adult rate.	
British Columbia	**$8.00**	01/11/01	**$6.00** (for inexperienced employees)[ii]	15/11/01
Manitoba	**$8.00**	01/04/07	Same as adult rate.	
New Brunswick	**$7.25**	01/07/07	Same as adult rate.	
Newfoundland and Labrador	**$7.00**	01/01/07	Same as adult rate.	
Northwest Territories	**$8.25**	28/12/03	Same as adult rate.	
Nova Scotia	**$7.60**	01/05/07	**$7.15** (for inexperienced employees)[ii]	01/05/07
Nunavut	**$8.50**	03/03/03	Same as adult rate.	
Ontario	**$8.00** **$8.75** **$9.50** **$10.25**	01/02/07 31/03/08 31/03/09 31/03/10	**$7.50** **$8.20** **$8.90** **$9.60** (for students)[iii]	01/02/07 31/03/08 31/03/09 31/03/10
Prince Edward Island	**$7.50**	01/04/07	Same as adult rate.	
Quebec	**$8.00**	01/05/07	Same as adult rate.	
Saskatchewan	**$7.95**	01/03/07	Same as adult rate.	
Yukon	**$8.37**[iv]	01/04/07	Same as adult rate.	

Appendix B (Continued)

Source: Labour Law Analysis
International and Intergovernmental Labour Affairs
Labour Program, Human Resources and Social Development Canada
July 13, 2007

Notes:

[i] In many jurisdictions, special minimum wage rates apply to certain specific occupations (e.g., domestics, salespersons, crop harvesters and employees who usually receive gratuities).

[ii] In British Columbia, "inexperienced employees" are those who had no paid employment experience prior to November 15, 2001 and who have since accumulated less than 500 hours of paid employment experience with one or more employers. In Nova Scotia, the term refers to those who have not been employed for more than three months by any employer to do the work for which they are presently employed.

[iii] These rates apply to students under 18 who are employed up to 28 hours in a week, or during a school holiday.

[iv] Effective April 1, 2007, and on April 1 of each subsequent year, this rate will increase by an amount corresponding to the annual increase for the preceding year in the Consumer Price Index (CPI) for the city of Whitehorse. To date, Yukon is the only jurisdiction in Canada to tie annual wage increases to the CPI.

Appendix C

The following minimum wage comparison table factors in taxes and then ranks the provinces with the highest to lowest after tax wage rate. Please note that this table and the graph below it were based on the most recent minimum wages as of July 16, 2007 and can, therefore, only be reviewed separately from the rest of the analysis in this report.

Minimum Wage Comparisons 2007

* For Single Income Earners

	AB	BC	SK	MB	ON	QC	NB	NS	PE	NL
Minimum Wage Rate	$ 7.00	$ 8.00	$ 7.95	$ 8.00	$ 8.00	$ 8.00	$ 7.25	$ 7.60	$ 7.50	$ 7.00
Salary (2000 hrs)	$ 14,000	$ 16,000	$ 15,900	$ 16,000	$ 16,000	$ 16,000	$ 14,500	$ 15,200	$ 15,000	$ 14,000
Federal Tax	**$ 1,348**	**$ 1,825**	**$ 1,781**	**$ 1,801**	**$ 1,813**	**$ 1,853**	**$ 1,474**	**$ 1,623**	**$ 1,573**	**$ 1,340**
Personal Income Tax	$511	$800	$786	$800	$800	$809	$584	$685	$656	$511
CPP/EI/QPP	$772	$907	$900	$907	$907	$919	$806	$853	$839	$772
GST	$65	$118	$95	$94	$106	$125	$84	$86	$78	$57
Provincial Tax	**$ -**	**$ 294**	**$ 794**	**$ 1,105**	**$ 787**	**$ 414**	**$ 313**	**$ 843**	**$ 980**	**$ 753**
Personal Income Tax	$0	$0	$684	$696	$395	$76	($194)	$314	$397	$305
Sales Tax	$0	$294	$110	$409	$391	$338	$507	$529	$584	$448
Health Care Premium	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Summary										
Before Tax Ranking	9	1	5	1	1	1	8	6	7	9
Total Tax	$ 1,348	$ 2,119	$ 2,575	$ 2,906	$ 2,599	$ 2,267	$ 1,786	$ 2,466	$ 2,554	$ 2,093
After Tax Salary	$ 12,652	$ 13,881	$ 13,325	$ 13,094	$ 13,401	$ 13,733	$ 12,714	$ 12,734	$ 12,446	$ 11,907
After Tax Wage Rate	$ 6.33	$ 6.94	$ 6.66	$ 6.55	$ 6.70	$ 6.87	$ 6.36	$ 6.37	$ 6.22	$ 5.95
After Tax Ranking	8	1	4	5	3	2	7	6	9	10

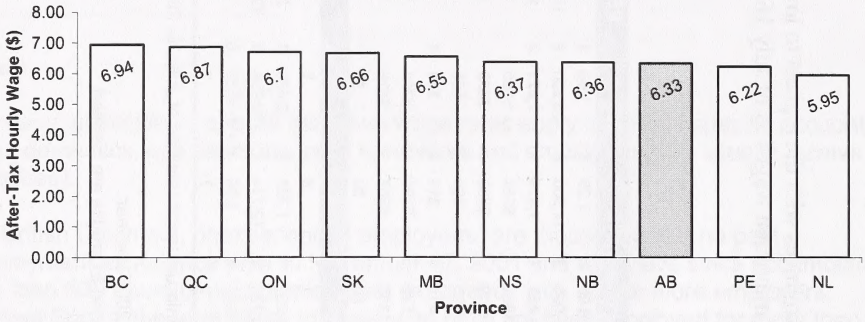
Based on the best information available as of July 16, 2007 for the 2007 provincial tax systems. Minimum wage rates as of July 16, 2007.

NOTES: This comparison assumes that the minimum wage rate was earned throughout the entire 2007 tax year.
This comparison assumes that all income is from employment and only personal, CPP and EI credits are claimed.
No shifting assumptions are made.

Source: Alberta Finance and Human Resources and Social Development Canada

Appendix C (Continued)

Provincial After-Tax Minimum Wage Rates
(rates as of July 16, 2007)



As of July 16, 2007, Alberta had the eighth highest provincial after-tax minimum wage. There were four provinces with the highest before-tax minimum wage rate: British Columbia, Manitoba, Ontario and Quebec; but British Columbia, Quebec and Ontario had the top three after-tax minimum wage rates.

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